

State of Hawaii
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Aquatic Resources
Honolulu, Hawaii 96813

August 12, 2011

Board of Land
and Natural Resources
Honolulu, Hawaii

SUBJECT: REQUEST FOR BOARD APPROVAL TO ALLOW DLNR TO ENTER INTO A FOUR-YEAR UNITED STATES ARMY CORPS OF ENGINEERS (USACE) COST SHARE AGREEMENT (\$2,727,270 FEDERAL/\$909,090 STATE FOR A TOTAL STUDY COST OF \$3,636,360) TO CONDUCT THE USACE SECTION 729 WRDA 1986 WEST MAUI WATERSHED PLAN – (FROM SIGNATURE DATE THROUGH SEPTEMBER 30, 2015)

AND

REQUEST DELEGATION OF AUTHORITY TO THE CHAIRPERSON TO EXECUTE THE COST SHARE AGREEMENT, APPROVE THE WATERSHED ASSESSMENT MANAGEMENT PLAN AND SELF-CERTIFY A NON-FEDERAL SPONSOR'S FINANCIAL CAPABILITY FOR AGREEMENTS

This Board Submittal requests approval for the Department of Land and Natural Resources (DLNR) to enter into a four-year cost share agreement (from effective date of Agreement) between the USACE and DLNR. Additionally, the Division of Aquatic Resources (DAR) requests delegation of authority to the Chairperson to execute the Cost Share Agreement, approve the Watershed Assessment Management Plan and provide a Non-Federal Sponsor's Self-Certification form certifying financial capability to enter into the agreement.

SUMMARY:

As the Non-Federal Sponsor for the West Maui Watershed Plan, DLNR (primarily represented by DAR, the Division of Forestry and Wildlife (DOFAW), and the Commission on Water Resource Management (CWRM)), will enter into a Cost Share Agreement with the USACE for the West Maui Watershed Plan. The State of Hawai'i Department of Health (DOH) is partnering with DLNR to contribute contributions for in-kind match for this study.

The West Maui Watershed Cost Share Agreement will be 75% Federal and 25% non-Federal. Federal costs are \$2,727,270 and State in-kind match, including match from the Department of Health, totals \$909,090 (see table below for breakdown). The in-kind match will be 100% Work-in-Kind efforts.

The Watershed Assessment Management Plan (WAMP) specifies the scope, cost, and schedule for assessment activities conducted by all partners, and outlines the work to be done in the West Maui Watershed Plan.

DISCUSSION

DLNR will contribute members to the Plan Management and Development Teams, West Maui Watershed Steering Committee, Watershed Assessment Coordination Team, help facilitate and manage the steering committee, provide information from ongoing biological resource data collection and monitoring, manage GIS data, assist in plan formulation activities for ecosystem restoration, liaison to SHPD and Office of Hawaiian Affairs, conduct any State environmental compliance needed for field investigation, and conduct an assessment of state environmental compliance requirements for implementation of proposed actions. DAR will act as subject matter experts for the watershed plan, specifically plan formulation as it relates to compliance with NOAA's Coral Reef Conservation Program (CRCP) grants, aquatic (marine and freshwater) biological resources, aquatic (marine and freshwater) ecosystem restoration, and public involvement. DOFAW will be the Subject Matter Expert on all resource and recovery strategies related to wetlands, terrestrial systems (including forests), and considerations for protection of terrestrial ESA listed species. DOFAW will also lead the development of the wildfire management aspects of the watershed plan. CWRM is establishing measurable interim in-stream flow standards (IIFS) for streams within the study area in accordance with the requirements of the State Water Code and CWRM-approved methodology. CWRM will also be engaged in drought mitigation planning as part of its ongoing drought program.

The project area supports existing near-pristine forestlands and offshore coral reefs, which are valuable ecological resources that are also important to the economy of the State of Hawai'i. The University of Hawai'i estimates that coral reefs contribute up to \$800 million/year in gross annual revenue for the State of Hawai'i. An economic valuation study sponsored by the Hawaii Coral Reef Initiative in 2002 estimates Maui County loses more than \$20 million/year from coral reef decline (Cesar, et al, 2002). The total net benefits of Hawaii coral reefs are estimated at \$360 million annually, and the overall asset value conservatively estimated to be nearly \$10 billion (Cesar and Van Beukering, 2004; US Global Climate Research Program, 2009).

Out-dated agricultural practices and recent land use shifts from agrarian activities to resorts and residential and urban activities have resulted in increases erosion and sedimentation, decreases in stream flows, impairments to stream habitat, loss of wetland resources, and impairment of coral reef ecosystems and other marine habitats.

Separate ecosystem restoration projects under the USACE Continuing Authorities Program (CAP) §206 were attempted but did not move forward due to funding and project size limitations under the CAP.

In December 2007, the West Maui Watershed Project was authorized and funds were appropriated by the U.S. Congress to begin the Reconnaissance Phase under the Flood Control Act of 1962, §209. As a result of the reconnaissance analysis, the Sponsors determined that WRDA 1986, §729 better suited the goals and objectives of this assessment as an integrated and

collaborative Watershed Plan. As a result, Honolulu District sought approval to move forward under WRDA 1986, §729. HQUSACE approved the change in authority on July 13, 2011.

The geographic scope for the project was reduced from the reconnaissance area because of cost. The current study area extends from Kā'anapali northward to Honolua and from the top of the West Maui Mountains at the summit of Pu'u Kukui to the outer reef including the watersheds of Wahikuli, Honokōwai, Kahana, Honokahua, and Honolua (24,000 acres).

Total in-kind contributions by the State of Hawaii are listed below.

DLNR, DAR	\$580,290
DLNR, DOFAW	\$190,500
DLNR, CWRM	\$104,300
DOH	\$34,000
TOTAL CONTRIBUTIONS	\$909,090

The West Maui Watershed Cost Share Agreement is currently being reviewed for approval by the State's Department of the Attorney General for final approval as to form.

RECOMMENDATIONS:

That the Board

- 1) Provide approval for DLNR to enter into a Cost Share Agreement with the U.S. Army Corps of Engineers for the West Maui Watershed Plan
- 2) Delegate authority to the Chairperson to
 - a) execute the agreement, amendments, extensions and renewals, as needed, subject to all necessary approvals;
 - b) approve/sign the Watershed Assessment Management Plan; and
 - c) self-certify a non-federal sponsor's financial capability form.

Respectfully submitted,




ROBERT NISHIMOTO, Program Manager
Division of Aquatic Resources

Concur:



PAUL CONRY, Administrator
Division of Forestry and Wildlife



WILLIAM T. TAM, Deputy Director
Commission on Water Resources Management

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.
Chairperson